

Maryland E-Nnovation Initiative Fund Authority
Wednesday, April 18, 2017
10:00 a.m. – 11:30pm

Maryland Department of Commerce
401 East Pratt Street
17th Floor Conference Room
Baltimore, MD 21202

The Maryland E-Nnovation Initiative Fund Authority (“MEIFA” or the “Authority”) convened a meeting at 10:00a.m. on April 18, 2017 at the offices of the Maryland Department of Commerce, 401 East Pratt Street, 17th Floor, Baltimore, Maryland 21202. A quorum was present.

Members:

Robert Caret, Chancellor, University System of Maryland
John Wasilisin, President & Chief Operating Officer, TEDCO
Andy Jones, Managing Director, Maryland Venture Fund, TEDCO
Tracye Turner, Co-Owner and COO of Optimal Solutions Group, LLC
Bret Schreiber, Designee of the Secretary of the Maryland Department of Commerce

Staff, Guests and Representatives:

Lara Hjortsberg, AAG for the Maryland Department of Commerce
Kris Shock, Senior Director, Strategic Industries & Entrepreneurship, Maryland Department of Commerce
Delterese George, Strategic Industries & Entrepreneurship, Maryland Department of Commerce
Elizabeth Koenig, Johns Hopkins University
Rob Spiller, Johns Hopkins University
Jamie Cacciola, Director of Grants, Hood College (by phone)
Donna Howard, Director of Development, Morgan State University (by phone)

Call Meeting to Order:

Mr. Bret Schreiber announced that Chairman Robert Hallenbeck would not be in attendance at the meeting. Mr. John Wasilisin put forth a motion, which was duly seconded and unanimously approved, that Mr. Schreiber serve as chair of the meeting in Mr. Hallenbeck’s absence. Mr. Schreiber next noted that Ms. Tracye Turner had been appointed to the Authority.

Roll Call: Introduction of Authority Members and Others in Attendance:

Mr. Schreiber asked those in attendance, in person and on the conference line, to introduce themselves and their respective organizations.

Review and Approval of previous Meeting Minutes:

The minutes of the December 12, 2016 meeting were reviewed. Upon motion duly made and seconded, the Authority members unanimously approved the minutes of the open session of the meeting held on December 12, 2016.

General Discussions

House Bill 94, Maryland E-Nnovation Initiative Program Requirements for Matching Funds

Mr. Bret Schreiber provided the Authority with an update on proposed legislation introduced on behalf of the Authority during the 2017 Legislative Session of the Maryland General Assembly. Mr. Schreiber noted that the purpose of legislation was to address issues raised during the September 28, 2016 meeting of the Authority and to create a more diverse group of institutions applying for the E-Nnovation funds by allowing greater flexibility for institutions to satisfy the 90-day deposit requirement for qualified donations through the use of other funds sources available to the institutions.

Mr. Schreiber noted that the legislation had passed the General Assembly and was awaiting the Governor's signature, with an effective of July 1, 2017. Ms. Lara Hjortsberg confirmed that the legislation would be applicable to applications received in the first round of Fiscal Year 2018 because the funds allocated to those applications would be from the Fiscal Year 2018 budget. Mr. Schreiber directed the Authority members to page 3 of House Bill 94, which included the amended language to the E-Nnovation statute.

Maryland E-Nnovation Initiative Authority Correspondence

Mr. Schreiber introduced the next agenda item, noting it was an issue submitted to the Authority via email from Mr. Brian Darmody, Associate Vice President for Corporate and Foundation Relations at University of Maryland College Park. Mr. Schreiber noted that under Economic Development Article, §6-614(c)(3) faculty members that receive the E-Nnovation fund grants are required to work at least "one day each week" (a) in support of a federal laboratory or associated federal laboratory research support organization, or (b) work at least one day each week in support of entrepreneurial activities with a company engaged in one or more of the technical fields of study approved by the Authority. In his email, Mr. Darmody conveyed that most academic appointments for professors operate under a 9 ½ month provision and conduct research over the summer months, but are not generally paid by the source that pays their academic year salaries.

Ms. Hjortsberg noted that she had consulted with an assistant attorney general in the Educational Affairs Division of the Office of the Attorney General and learned that the definition of academic year can vary from institution to institution, depending on the particular institution's contract year. She noted that certain institutions, such as University of Maryland, Baltimore and Johns Hopkins University School of Medicine tend to have 12-month contracts because of the nature of those institutions, whereas University of Maryland College Park has a 9

½ month contract year. She stated that it is not necessarily an issue for all institutions of higher education. Ms. Hjortsberg also noted that the State pension system defines a service credit with respect to the academic institutions with reference to the contract year employed by that particular institution.

After discussion of the request from Mr. Darmody to consider an amendment of the regulations, the Authority determined that the issue did not warrant amendment of the regulations at this time.

Maryland E-Nnovation Fund Program Evaluation Criteria

Mr. Schreiber reminded the Authority that concerns had been raised by the Authority during its evaluation of the second round of Fiscal Year 2017 applications regarding the request for matching funds for the purpose of retaining current faculty rather than for the recruitment of star talent. Mr. Schreiber noted that the meeting materials provided to the Authority included with a copy of a document entitled "Evaluation Criteria." He noted that these criteria had previously been produced by the Authority, outlining the Authority's priority focus for evaluating applications. The group determined that the document continued to reflect the Authority's priority, and upon motion duly made and seconded, that Authority approved the inclusion of the Evaluation Criteria in the Application for Fiscal Year 2018, as well as its posting on the Maryland E-Nnovation Fund Program web page.

Budget Status Update

Mr. Schreiber reviewed the Maryland E-Nnovation Initiative Fund Fiscal Year 2017 Financial Status and Projection Sheet, noting that it reflected a projected year-end surplus. He stated that the projected surplus was inclusive of the \$1,000,000 returned by Morgan State University and the funds generated through the bingo tip jars. He announced that Governor Hogan and the Legislature had fully funded the Fiscal Year 2018 MEIF Budget with \$8,500,000, and that those funds would be available for allocation July 1, 2017. Mr. Schreiber advised the Authority that if it sought to access the \$1,000,000 that Morgan State returned, a formal request would need to be submitted through the Maryland Department of Budget and Management (DBM), processed and authorized by the fiscal committees of the Maryland General Assembly. Upon motion duly made and seconded, the Authority unanimously approved the formal request to the Department of Budget and Management to have access to the \$1,000,000 in Fiscal Year 2018. It was noted that this would bring the Fiscal Year 2018 budget to \$9,500,000.

The Authority yielded the discussion to guests, in person and on the phone, for comments and questions.

Approval of Closed Meeting Minutes – Performance of Administrative Function (§3-104 of the Open Meetings Act)

At 10:42 a.m., upon motion duly made and seconded, the Authority members voted to close the meeting in order to approve the minutes of the closed session of the December meeting of the

Authority, an administrative function under §3-104 of the Open Meetings Act. The following members (and designees) of the Authority were present during the closed session: Ms. Tracye Turner, Messrs. Caret, Wasilisin, Jones, and Schreiber. Ms. Hjortsberg, Ms. Shock, and Ms. George also remained during the closed session. The open session of the meeting resumed at 10:49 a.m. The only matter to occur during the closed session was the approval of the minutes of the closed session of the meeting on December 12, 2016.

Dates for Next Meetings

The Authority members determined that the date for the next meeting of the Authority would be as follows.

- June 27th, 10:00 a.m. – 12:30 p.m.
 - University System of Maryland, 701 East Pratt St., Baltimore, MD 21202

There being no further business, motion to adjourn was made, duly seconded and unanimously agreed upon.